EPA: Bill Barrett Gas Drilling Plan in Utah Inadequate

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The weekly gas market newsletter

<u>Bill Barrett Corp.</u>'s plans to increase natural gas drilling in Utah's Nine Mile Canyon may be delayed after the U.S. Environmental Protection Agency (EPA) told state officials last month that a completed environmental study for the proposal needs to be revised to detail air quality impacts.

In a letter to Selma Sierra, director of the federal Bureau of Land Management (BLM) in Vernal, UT, EPA Region 8 administrator Robert Roberts said BLM's draft environmental impact statement (EIS) for the West Tavaputs Plateau full-field development does not satisfy the requirements of the federal Clean Air Act. Of concern to EPA is BLM's finding in the draft EIS that the drilling project would cause only small increases in ground-level ozone. That finding "is not technically defensible," Roberts said.

Most of the land where the development would take place is private, but BLM field offices manage the public lands there, including Nine Mile Canyon, an archaeological wonder that is home to more than 10,000 known Ancient Puebloan rock-art images and ruins.

The Southern Utah Wilderness Alliance (SUWA) and several other groups sued BLM in 2004 for allowing Bill Barrett to conduct seismic gas exploration in the region (see NGI, May 3, 2004). At the time, BLM said the groups' arguments were misleading. The agency said it was taking "every reasonable measure" to ensure that the Nine Mile Canyon rockart treasures would not be harmed and that wilderness areas would be preserved.

The Denver-based producer wants to drill gas wells on 138,000 acres in the West Tavaputs Plateau area in the northeast portion of Carbon County, UT. The long-term development includes drilling up to 807 new natural gas wells on 538 locations over a period of eight years. As each well has the potential to produce natural gas for up to 20 years, the total life of the project could be around 28 years, BLM noted.

Most surface locations would accommodate more that one well by using directional drilling techniques to minimize surface impacts. Project infrastructure would include a network of roads and pipelines, gas compression stations and other facilities to accommodate delivery of the natural gas to markets.

BLM evaluated five alternatives, including Bill Barrett's proposed plan, to address the complex environmental issues and conflicting uses in the area. Its range of alternatives include applying best management practices for oil and gas development, optimizing opportunities for directional drilling, and other mitigation measures developed to address

issues specific to this project. A decision on the plan could require BLM to amend its current land use plan.

In February BLM issued a four-volume draft EIS on the West Tavaputs project. The area now has 100-110 active gas wells, according to BLM. Traffic along the narrow gravel road through the canyon would increase from about 107 vehicles per day to a maximum of 441 per day during peak development, which would probably last two to three years, according to BLM estimates. Chemicals used to suppress dust, which are strong enough to corrode concrete, could impact some of the rock-art panels in the canyon, and the fugitive dust emissions also may impact water quality, riparian areas and visibility, EPA noted.

The draft report acknowledged the drilling program's potential to harm wildlife, air quality, scenery and cultural resources. Included in the BLM draft are alternative drilling proposals, which would address increased industrial traffic in the canyon because of the archaeological treasures.

However, even without taking the West Tavaputs project into consideration, Roberts noted that the Vernal region already exceeds new federal ozone standards. Additional oil and gas, oil shale and tar sands development proposed for the region could further damage air quality, he noted. If the air quality issues are not resolved, Roberts said the project may be referred to the Council on Environmental Quality, which advises the president on how federal agencies should operate under the National Environmental Policy Act.

BLM has agreed to supplement the draft EIS to further examine the air quality issues raised by EPA. The supplemental draft would require a public comment period and then be reviewed by EPA, according to Roberts.

SUWA attorney Steve Bloch said the EPA action is rare.

"This is the only instance that comes to mind in the Bush administration where the EPA has rated an energy development project in Utah as inadequate," said Bloch.